

BEFORE THE
CALIFORNIA BOARD OF ACCOUNTANCY
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against:

Case No. AC-2009-5

LAURENCE K. MILLER
5170 N. Sepulveda Blvd., #290
Sherman Oaks, CA 91403

Certified Public Accountant Certificate
No. 9845

Respondent.

DECISION AND ORDER

The attached Stipulated Surrender of License and Order is hereby adopted by the California Board of Accountancy, as its Decision in this matter.

This Decision shall become effective on October 26, 2008.

It is so ORDERED September 26, 2008.


FOR THE CALIFORNIA BOARD OF ACCOUNTANCY

1 EDMUND G. BROWN JR., Attorney General
2 of the State of California
3 GLORIA A. BARRIOS
4 Supervising Deputy Attorney General
5 SCOTT J. HARRIS, State Bar No. 238437
6 Deputy Attorney General
300 So. Spring Street, Suite 1702
Los Angeles, CA 90013
Telephone: (213) 897-2554
Facsimile: (213) 897-2804

7 Attorneys for Complainant

8 **BEFORE THE**
9 **CALIFORNIA BOARD OF ACCOUNTANCY**
10 **DEPARTMENT OF CONSUMER AFFAIRS**
11 **STATE OF CALIFORNIA**

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15 No. 9845

**STIPULATED REVOCATION OF
LICENSE AND ORDER**

16 Respondent.

17 IT IS HEREBY STIPULATED AND AGREED by and between the parties in this
18 proceeding that the following matters are true:

19 **PARTIES**

20 1. Dan Rich (Complainant) is the Acting Executive Officer of the California
21 Board of Accountancy (Board). He brought this action solely in his official capacity and is
22 represented in this matter by Edmund G. Brown Jr., Attorney General of the State of California,
23 by Deputy Attorney General Scott. J. Harris.

24 2. Respondent Laurence K. Miller is represented in this proceeding by
25 attorney Scott Richard Lord, whose address is Cohen & Lord PC, Attorneys at Law, 1801
26 Century Park East, Suite 2600, Los Angeles, CA 90067-232.

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1 3. On or about October 16, 1962, the Board issued Certified Public
2 Accountant Certificate No. 9845 to Respondent. The license was in full force and effect at all
3 times relevant to the charges brought in Accusation No. AC-2009-5, and expired May 1, 2008.

4 JURISDICTION

5 4. Accusation No. AC-2009-5 was filed before the Board, and is currently
6 pending against Respondent. The Accusation and all other statutorily required documents were
7 properly served on Respondent on August 28, 2008. Respondent timely filed his Notice of
8 Defense contesting the Accusation. A copy of Accusation No. AC-2009-5 is attached as
9 Exhibit A and is incorporated herein by reference.

10 ADVISEMENT AND WAIVERS

11 5. Respondent is fully aware of his legal rights in this matter, including the
12 right to a hearing on the charges and allegations in the Accusation; the right to be represented by
13 counsel at his own expense; the right to confront and cross-examine the witnesses against him;
14 the right to present evidence and to testify on his own behalf; the right to the issuance of
15 subpoenas to compel the attendance of witnesses and the production of documents; the right to
16 reconsideration and court review of an adverse decision; and all other rights accorded by the
17 California Administrative Procedure Act and other applicable laws.

18 6. Respondent has carefully read, had the opportunity to fully discuss
19 with counsel, and understands the charges, allegations and effects of this Stipulated Revocation
20 of License and Order.

21 7. Respondent voluntarily, knowingly, and intelligently waives and gives up
22 each and every right set forth above.

23 CULPABILITY

24 8. Respondent neither admits, nor denies, but does not contest, the charges
25 and allegations in Accusation No. AC-2009-5. However, Respondent agrees that if proven at
26 hearing, the charges and allegations in Accusation No. AC-2009-5 would be cause for discipline,
27 and hereby stipulates to the revocation of his Certified Public Accountant Certificate No. 9845.

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10. Respondent understands that by signing this stipulation he enables the Order imposing revocation of his Certified Public Accountant Certificate without further process.

11. This stipulation shall be subject to approval by the California Board of Accountancy. Respondent understands and agrees that counsel for Complainant and the staff of the California Board of Accountancy may communicate directly with the Board regarding this stipulation and settlement, without notice to or participation by Respondent or his counsel. By signing the stipulation, Respondent understands and agrees that he may not withdraw from this agreement or seek to rescind the stipulation prior to the time the Board considers and acts upon it. If the Board fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, and, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Board shall not be disqualified from further action by having considered this matter.

13. In consideration of the foregoing admissions and stipulations, the parties agree that the California Board of Accountancy may, without further notice or formal proceeding, issue and enter the following Order:

IT IS HEREBY ORDERED that Certified Public Accountant Certificate No. 9845, issued to Respondent Laurence K. Miller, is revoked and accepted by the California Board of Accountancy.

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1 1. The revocation of Respondent's Certified Public Accountant Certificate
2 and the acceptance of the revoked certificate by the Board shall constitute the imposition of
3 discipline against Respondent. This stipulation constitutes a record of the discipline and shall
4 become a part of Respondent's license history with the Board.

5 2. Respondent shall lose all rights and privileges as a Certified Public
6 Accountant in California as of the effective date of the Board's Decision and Order.

7 3. Respondent shall cause to be delivered to the Board both his wall and
8 pocket license certificate on or before the effective date of the Decision and Order.

9 4. Respondent understands and agrees that if he ever applies for re-licensure
10 or reinstatement of his license in the State of California, the Board shall treat it as a petition for
11 reinstatement. Respondent must comply with all the laws, regulations and procedures for
12 licensure in effect at the time the application or petition is filed, and all of the charges and
13 allegations contained in Accusation No. AC-2009-5 shall be deemed to be true, correct and
14 admitted by Respondent when the Board determines whether to grant or deny the application or
15 petition.

16 5. Respondent further understands and agrees that if he ever applies for re-
17 licensure or reinstatement of his license in the State of California, he may be required to comply
18 with any condition that the Board may impose, including but not limited to, payment of
19 \$3,797.70 in reasonable costs for the investigation and prosecution of this matter.

20 ACCEPTANCE

21 I have carefully read the above Stipulated Revocation of License and Order, and
22 have had the opportunity to fully discuss it with my attorney Scott Richard Lord. I understand
23 the effect of this Stipulated Revocation of License and Order, and enter into it voluntarily,

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1 knowingly, and intelligently, and agree to be bound by the Decision and Order of the California
2 Board of Accountancy.

3 DATED: 9-9-08



LAURENCE K. MILLER
Respondent

8 I have read and had the opportunity to fully discuss with Respondent Laurence K.
9 Miller the terms and conditions and other matters contained in the above Stipulated Settlement of
10 License and Order. I approve its form and content.

11 DATED: 9-9-08



SCOTT RICHARD LORD
Attorney for Respondent

16 ENDORSEMENT

17 The foregoing Stipulated Revocation of License and Order is hereby respectfully
18 submitted for consideration by the California Board of Accountancy.

19 DATED: 9-10-08 / 9-12-08
20 *ELH*

21 EDMUND G. BROWN JR., Attorney General
of the State of California

22 GLORIA A. BARRIOS
23 Supervising Deputy Attorney General



SCOTT J. HARRIS
Deputy Attorney General

27 Attorneys for Complainant

Exhibit A

Accusation No. AC-2009-5

EDMUND G. BROWN JR., Attorney General
of the State of California
GLORIA A. BARRIOS, State Bar No. 94811
Supervising Deputy Attorney General
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Attorneys for Complainant

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Case No. AC-2009-5

LAURENCE K. MILLER
5170 N. Sepulveda Blvd., #290
Sherman Oaks, CA 91403

A C C U S A T I O N

Certified Public Accountant Certificate
No. 9845

Respondent.

Complainant alleges:

PARTIES

1. Dan Rich (Complainant) brings this Accusation solely in his official capacity as the Acting Executive Officer of the California Board of Accountancy (Board), Department of Consumer Affairs.

2. On or about October 16, 1962, the Board issued Certified Public Accountant Certificate No. 9845 to Lawrence K. Miller (Respondent). The certificate was in full force and effect at all times relevant to the charges brought herein and expired on May 1, 2008.

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JURISDICTION

3. This Accusation is brought before the Board, under the authority of the following laws. All section references are to the Business and Professions Code unless otherwise indicated.

4. Section 5100 states:

"After notice and hearing the board may revoke, suspend, or refuse to renew any permit or certificate granted under Article 4 (commencing with Section 5070) and Article 5 (commencing with Section 5080), or may censure the holder of that permit or certificate for unprofessional conduct that includes, but is not limited to, one or any combination of the following causes:

....

"(c) Dishonesty, fraud, gross negligence, or repeated negligent acts committed in the same or different engagements, for the same or different clients, or any combination of engagements or clients, each resulting in a violation of applicable professional standards that indicate a lack of competency in the practice of public accountancy or in the performance of the bookkeeping operations described in Section 5052.

....

"(i) Fiscal dishonesty or breach of fiduciary responsibility of any kind.

"(j) Knowing preparation, publication, or dissemination of false, fraudulent, or materially misleading financial statements, reports, or information.

"(k) Embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses."

5. Section 5109 of the Code states:

"The expiration, cancellation, forfeiture, or suspension of a license, practice, privilege, or other authority to practice public accountancy by operation of law or by order or decision of the board or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the board of jurisdiction to commence or proceed with any investigation of or action

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1 or disciplinary proceeding against the licensee, or to render a decision suspending or revoking the
2 license."

3 6. Section 5107, subdivision (a) of the Code states:

4 "The executive officer of the board may request the administrative law judge, as
5 part of the proposed decision in a disciplinary proceeding, to direct any holder of a permit or
6 certificate found to have committed a violation or violations of this chapter to pay to the board all
7 reasonable costs of investigation and prosecution of the case, including, but not limited to,
8 attorneys' fees. The board shall not recover costs incurred at the administrative hearing."

9 FIRST CAUSE FOR DISCIPLINE

10 (Fraud, Dishonesty)

11 7. Respondent is subject to disciplinary action under section 5100,
12 subdivision (c), on the grounds of unprofessional conduct, in that Respondent committed
13 fraudulent and dishonest acts in the practice of public accountancy. The circumstances are as
14 follows:

15 a. Respondent was engaged by client Dr. and Mrs. M.S.¹ (hereinafter, "client
16 M.S.") as their accountant. Respondent acted as client M.S.'s accountant for more than twenty
17 (20) years, and for several years prior to 2005, Respondent agreed to and actually paid the
18 estimated taxes for client M.S. In or about 2005, client M.S. again agreed to make checks
19 payable to Respondent or his "Trust Account" from which Respondent would pay estimated
20 taxes on client M.S.'s behalf. In 2005, client M.S. gave Respondent checks for deposit totaling
21 \$146,000.00, which were to be used for payment of estimated tax payments.

22 b. Respondent prepared client M.S.'s 2005 California State tax return, in
23 which Respondent included \$145,950.00 as estimated tax payments for the 2005 tax year. The
24 estimated tax payment of \$145,950.00 would have resulted in an overpayment in the amount of
25 \$109,069.00, which was to be applied to client M.S.'s 2006 state income tax liability. However,

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27 1. Client names have been omitted for purpose of privacy. The names and contact
28 information for the client(s) involved in this Accusation will be disclosed upon receipt of a
proper request for discovery.

1 Respondent failed to send the estimated tax payment of \$149,950.00 to the California Franchise
2 Tax Board on behalf of client M.S. In addition, Respondent never returned the \$146,000.00 to
3 client M.S. As of 2007, client M.S. had an outstanding tax liability for the 2005 tax year in the
4 amount of \$49,243.30, for taxes, interest and penalties.

5 c. On or about April 21, 2008, in a civil matter filed by client M.S. against
6 Respondent in the Superior Court of California for the County of Los Angeles, Case No.
7 BC378813, a default judgment was entered against Respondent in the amount of \$388,801.57,
8 including \$165,097.32 in actual damages. The civil matter was based on allegations that
9 Respondent committed fraud, statutory elder abuse, and embezzled funds from client M.S. over
10 multiple years, including, but not limited to, the allegations and charges discussed in paragraphs
11 7(a) and 7(b), above.

12 SECOND CAUSE FOR DISCIPLINE

13 (Fiscal Dishonesty or Breach of Fiduciary Responsibility)

14 8. Respondent is subject to disciplinary action under section 5100,
15 subdivision (i), on the grounds of unprofessional conduct, in that Respondent knowingly
16 committed fiscal dishonesty, and/or, breached his fiduciary responsibility, by submitting a tax
17 return containing false information to the California Franchise Tax Board, and misappropriating
18 \$146,000.00 from client M.S., as more fully discussed in paragraph 7, above, which is
19 incorporated herein as set forth in whole.

20 THIRD CAUSE FOR DISCIPLINE

21 (Knowingly Prepared False, Fraudulent, or Misleading Information)

22 9. Respondent is subject to disciplinary action under section 5100,
23 subdivision (j), on the grounds of unprofessional conduct, in that Respondent knowingly
24 prepared false, fraudulent, or misleading information. Specifically, Respondent prepared the
25 client M.S.'s 2005 California State Income Tax return, Form 540, which included false
26 information regarding the payment of estimated taxes and the amount of an overpayment to be
27 applied from the 2005 tax return to client M.S.'s individual income tax return in 2006, as more
28 fully discussed in paragraph 7, above, which is incorporated herein as set forth in whole.

1 FOURTH CAUSE FOR DISCIPLINE

2 (Embezzlement, Theft, Misappropriation of Funds, or Property)

3 10. Respondent is subject to disciplinary action under section 5100,
4 subdivision (k), on the grounds of unprofessional conduct, in that Respondent embezzled, stole,
5 and/or, misappropriated funds or property, as more fully discussed in paragraph 7, above, which
6 is incorporated herein as set forth in whole.

7 PRAYER


8 WHEREFORE, Complainant requests that a hearing be held on the matters herein
9 alleged, and that following the hearing, the Board issue a decision:

10 1. Revoking, suspending, or otherwise imposing discipline on Certified
11 Public Accountant License No. 9845, issued to Laurence K. Miller;

12 2. Ordering Laurence K. Miller to pay the California Board of Accountancy
13 the reasonable costs of the investigation and enforcement of this case, pursuant to Business and
14 Professions Code section 5107;

15 3. Taking such other and further action as deemed necessary and proper.

16 DATED: August 26, 2006

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18 
19 DAN RICH
20 Acting Executive Officer
21 California Board of Accountancy
22 State of California
23 Complainant
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